Impact of Social Franchising on Sustainability

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Definition of sustainability

- Introducing new key services of public health importance to existing service delivery platforms
- Increasing patient flow and one stop shopping for private providers and clients making more sustainable private health businesses
- Self-financing (NGOs, SF)
- Sustaining key health behaviors at the population level
- Graduate donor assistance-- govt. subsidy to poor

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First Generation Social Franchising

In the peer reviewed literature great optimism about financial sustainability potential of SF based in part upon fractionalized franchises building on existing private providers.

USAID's objective to support social franchising

- Early on for FP/RH to harness the power of the private sector to increase access and use of quality voluntary family planning services especially LAPMs to help reach tipping point and drive up MCPR
- More recently to expand access to malaria detection and treatment, TB detection and treatment, MCH, PAC and counseling, testing and treatment for HIV/AIDs through private sector services to improve healthcare outcomes.

USAID's early support to social franchising in Latin America

In Mexico from 1990-1994 with IPPF affiliate Mexfam

Associated doctors model FP services

Training, commodities, medical equipment, supervision

Expanded access

Model was heavily subsidized and expensive

USAID graduated FP assistance in Mexico in 2000 due to very high rates of MCP

Other Latin American Social Franchising experiences

- Several other IPPF affiliates and FP NGOs had associate doctor with private physicians models in Latin America (Ecuador, Bolivia) Some USAID financed
- Were the SF programs sustained? No
- Did these private doctors continue to offer FP services ? No information
- Community based distribution, outreach and subsidized social marketing programs evolved into commercial products as prevalence increased and MOH expanded services
- Ecuador graduated from USAID FP assistance in 2000
- Seven more countries in LA will graduate from USAID FP assistance in next few years due to very high levels of MCPR.

Other LA Social Franchising Experiences

- MSI- European Union, Honduras and Nicaragua
- Heavily subsidized, free credit, renovations, commodities, training, supervision
- Programs not sustained
- Bricks and morter and fractional franchise
- Costly
- Latest LA iterations Anonymous Donor through PASMO/PSI – Red Segura focused on specific target groups, low income, youth, women– El Salvador, Nicaragua, Guatemala heavily subsidized and for Nica and El Sal extremely high MCPR USAID graduating.

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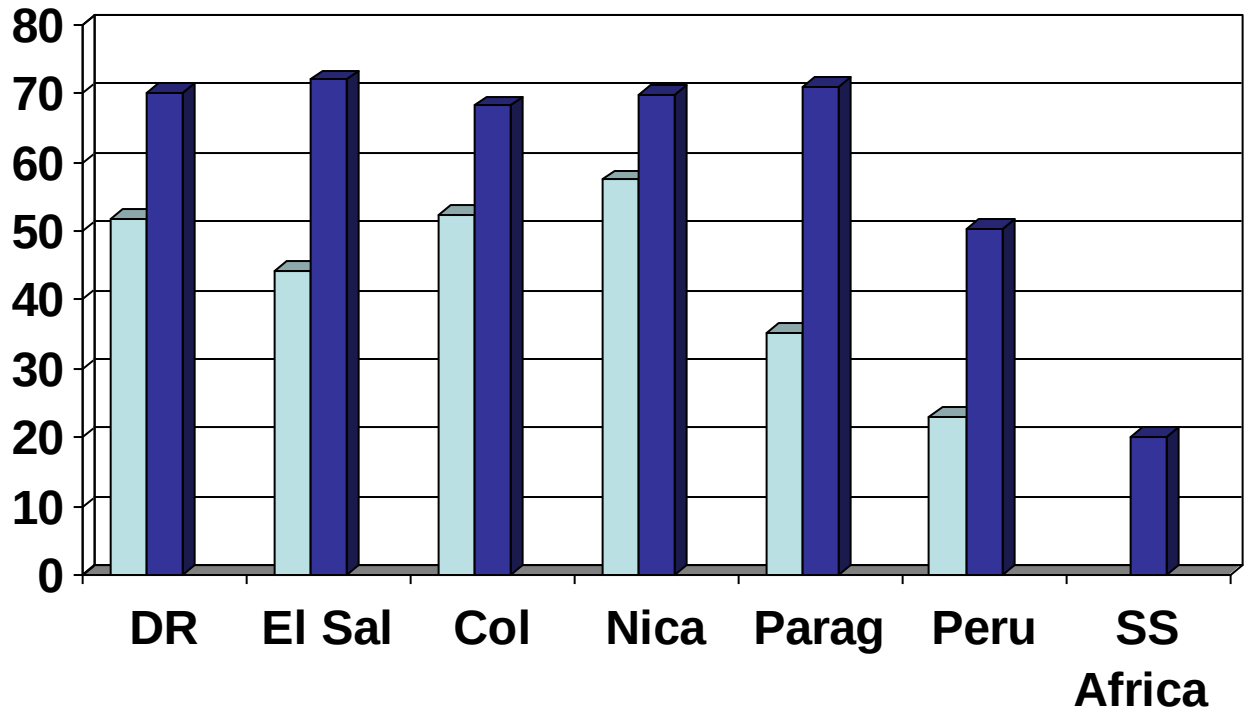
Trend Analysis Modern CPR Select LA Countries



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Sustainability of behavior at population level

Sustainable behavioral change of contracepting now? Yes

Did NGOs and social franchising contribute to this behavior change? Yes to NGOs more limited contribution from SF because few and brief experience

FP service delivery channel from CBD, NGOs, social marketing and very limited SF to commercial, (pharmacies for O.C.s and condoms) MOH, some private doctor, increased social security

NGOs minimized costs, added profitable services, labs, MCH, HIV, dialysis, outpatient surgical care, etc

NGOs client profile changed without donor subsidy from poor to more middle class

NGOs not SF became self-financed

Colombia Profamilia contracted out by MOH.

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Amy Tsui

- 3 social franchises and sustainability in India (Janani), Ethiopia (BT) and Pakistan (Green Star)
- Financially sustainable-no
- Are they increasing access to services-yes
- Contributing to MCPR? yes
- Quality can be very expensive

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Clinical Social Franchising Compendium 2011

- Only 4 social franchises achieve more than 20% cost recovery
- The top two are in countries with greater than 48% MCPR (Peru and Bangladesh)
- One is a pharmacy network
- Vast majority of SF services FP/RH
- 20% MCH, <20% malaria, <10% TB, <10% HIV
- Vast majority heavily subsidized, receive free equipment, supplies and training and have subsidized outreach and commodities

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Sustainability Second Generation Social Franchises

- Seek to minimize costs- experimenting with models
- Still seeking right mix demand side activities, outreach, BCC, training, supervision, equipment and commodities to ensure demand and quality
- Mobile technologies and supply chain efficiencies
- Business training, credit expand businesses to be more profitable

Some have a low cost model or break even plan

- Merrygold India
- CFW Shops?
- Red Plan Salud
- Unjani
- Living goods

Promising Market-based Solutions

- Livewell Kenya based on refinement of CFW clinics subsidized model. Commercial franchise serving poor in Nairobi slums. Deliberatively not receiving donor subsidy just very limited technical assistance. Experimenting with model to get it right before expansion. Experimenting with microinsurance

The sustainable impact of Social Franchising in Africa and Asia?

- From donor subsidized services and vouchers for the poor to government financed services and vouchers for the poor including SF service delivery?
- Contracting, with or without national health insurance for SF? Only for contraceptives, LAPMs or essential package of health services? Many SF like MSI would need to add more services on SF platform
- As key health behaviors change and health indicators change outreach not needed, less costly
- Just NGO clinics sustained? MSI clinics?
- MOH strengthens provision and commercial models emerge, private insurance?

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Most important sustainable impact

- In Asia and Africa health behavior is changed and sustained at the population level for key health outcomes.
- Donors graduate countries from assistance because donor subsidies no longer needed.

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Your thoughts most welcome!

Thank You!